

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

ROBERT L. DRUMMOND and JAN A. CARLSON,
Individually and on behalf of all others similarly situated,

Plaintiffs,

v.

AMERICAN FAMILY MUTUAL INSURANCE
COMPANY, S.I.,

Defendant.

ORDER

22-cv-338-wmc

Having considered the terms of the sealed stipulation of settlement and release (dkt. #78), the court finds it meets the requirements of the Fair Labor Standards Act (“FLSA”). Specifically, the FLSA bars settlements that “establish sub-minimum wages.” *Walton v. United Consumers Club*, 786 F.2d 303, 306 (7th Cir. 1986) (“[T]he Fair Labor Standards Act is designed to prevent consenting adults from transacting about minimum wages and overtime pay. Once the Act makes it impossible to agree on the amount of pay, it is necessary to ban private settlements of disputes about pay. Otherwise the parties’ ability to settle disputes would allow them to establish sub-minimum wages.”). To avoid a challenge to the validity of a settlement of FLSA claims, approval by a court or the Department of Labor is required. *Id.* In approving a settlement, the court must determine whether the settlement’s terms and conditions represent “a fair and reasonable resolution of a bona fide dispute over FLSA provisions” and reflect a “compromise of disputed issues [rather] than a mere waiver of statutory rights brought about by an employer’s

overreaching.” *Lynn’s Food Stores, Inc. v. U.S. Dept. of Labor*, 679 F.2d 1350, 1354-55 (11th Cir. 1982).

In light of the risks and uncertainty inherent to continuing this litigation, and with assurances that the amount paid does not establish a sub-minimum wage, the court is satisfied that the settlement amount that plaintiffs and the other collective members will receive under that agreement represents a fair and reasonable resolution of a bona fide dispute without establishing a sub-minimum wage. The court further finds the proposed attorneys’ fee award and named plaintiffs’ service awards are likewise reasonable.

Accordingly, the parties’ stipulation of settlement and release is APPROVED and this matter is DISMISSED WITH PREJUDICE.

Entered this 30th day of July, 2024.

BY THE COURT:

/s/

WILLIAM M. CONLEY
District Judge